

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2011-04-06** | Period of Report: **2011-04-04**
SEC Accession No. **0001181431-11-022863**

([HTML Version](#) on secdatabase.com)

REPORTING OWNER

Kelly Ronald Eugene

CIK: **1365416**

Type: **4** | Act: **34** | File No.: **000-26137** | Film No.: **11744236**

Mailing Address
8706 CORLISS AVENUE
NORTH
SEATTLE WA 98103

ISSUER

DRUGSTORE COM INC

CIK: **1086467** | IRS No.: **043416255** | State of Incorp.: **DE** | Fiscal Year End: **1231**
SIC: **5912** Drug stores and proprietary stores

Mailing Address
411 108TH AVE. NE
SUITE 1400
BELLEVUE WA 98004

Business Address
411 108TH AVE. NE
SUITE 1400
BELLEVUE WA 98004
4253723200

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: 02/28/2011
Estimated average burden hours per response 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person Kelly Ronald Eugene			2. Issuer Name and Ticker or Trading Symbol DRUGSTORE COM INC [DSCM]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) VP, Customer & Pharmacy Ops	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 04/04/2011		6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person	
411 108TH AVE SE, SUITE 1400			4. If Amendment, Date Original Filed(Month/Day/Year)			
(Street) BELLEVUE, WA 98004						
(City)	(State)	(Zip)				

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	04/04/2011		<u>F</u>		4,998 ⁽¹⁾	D	\$3.84	77,794	D	
Common Stock	04/04/2011		<u>M</u>		7,500	A	\$ 0	85,294	D	
Common Stock	04/04/2011		<u>E</u>		1,983 ⁽²⁾	D	\$3.84	83,311	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V		Date Exercisable	Expiration Date						Title
Restricted Stock Unit	\$ 0	04/04/2011		<u>M</u>		7,500	10/03/2010 ⁽³⁾	10/03/2014	Common Stock	7,500	\$ 0	52,500	D	

Explanation of Responses:

1. Represents shares of Common Stock withheld by the issuer to satisfy taxes due in connection with the vesting of shares of Restricted Stock.
2. Represents shares of Common Stock withheld by the issuer to satisfy taxes due in connection with the vesting of restricted stock unit shares.

3. Indicates vesting commencement date; the restricted stock unit ("RSU") become exercisable as to the RSUs'original share total over 48 months, at the rate of one-eighth on each six month anniversary of the vesting commencement date until all shares are fully vested, subject to awardee continuing to be a Service Provider.

Signatures

/s/ Cabrelle Abel, by Power of Attorney

** Signature of Reporting Person

04/06/2011

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

